

2011 Property Tax Report

Tippecanoe County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Tippecanoe County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Tippecanoe County

The average homeowner saw a 9.2% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 25.9% lower than they were in 2007, before the property tax reforms.
96.0% of homeowners saw lower tax bills in 2011 than in 2007.
60.2% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	23,636	79.2%	1,155	3.9%
No Change	322	1.1%	35	0.1%
Lower Tax Bill	5,895	19.7%	28,663	96.0%
Average Change in Tax Bill	9.2%		-25.9%	
Detailed Change in Tax Bill				
20% or More	5,642	18.9%	387	1.3%
10% to 19%	9,774	32.7%	182	0.6%
1% to 9%	8,220	27.5%	586	2.0%
0%	322	1.1%	35	0.1%
-1% to -9%	3,101	10.4%	1,904	6.4%
-10% to -19%	1,730	5.8%	5,235	17.5%
-20% to -29%	536	1.8%	8,154	27.3%
-30% to -39%	181	0.6%	7,912	26.5%
-40% to -49%	149	0.5%	3,191	10.7%
-50% to -59%	55	0.2%	1,089	3.6%
-60% to -69%	43	0.1%	383	1.3%
-70% to -79%	25	0.1%	274	0.9%
-80% to -89%	15	0.1%	192	0.6%
-90% to -99%	5	0.0%	92	0.3%
-100%	55	0.2%	237	0.8%
Total	29,853	100.0%	29,853	100.0%

Note: Percentages may not total due to rounding.

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 LOSS OF STATE HOMESTEAD
 CREDIT AND HIGHER TAX
 RATES INCREASED
 HOMEOWNER TAX BILLS.
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Homestead Property Taxes

Homestead property taxes increased 9.2% on average in Tippecanoe County in 2011. This was more than the state average of 4.4%. Tippecanoe County homestead taxes were still 25.9% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.9% in Tippecanoe County in 2010. Mostly, though, Tippecanoe homestead taxes increased because of increases in tax rates. The increases would have been higher, but the share of homeowners at their tax caps increased from 4.1% in 2010 to 9.9% in 2011.

Tax Rates

Property tax rates increased in most Tippecanoe County tax districts in 2011. The average tax rate increased by 6.9% because of a moderate levy increase and a drop in net assessed value. Levies in Tippecanoe County increased by 3.3%. The biggest levy increases were for the West Lafayette Schools operating fund, which was passed by referendum, the Tippecanoe Schools debt service fund, and the Lafayette City general and park bond funds. The Lafayette School Corporation reduced its debt service and capital projects fund levies. Tippecanoe County's total net assessed value decreased 5.5% in 2011. (The certified net AV used to compute tax rates declined by 3.4%.) Homestead net assessments decreased by 0.9%, other residential assessments showed a 3.6% decrease, and business net assessments fell by 11.0%. Agricultural net assessments increased by 4.6%.

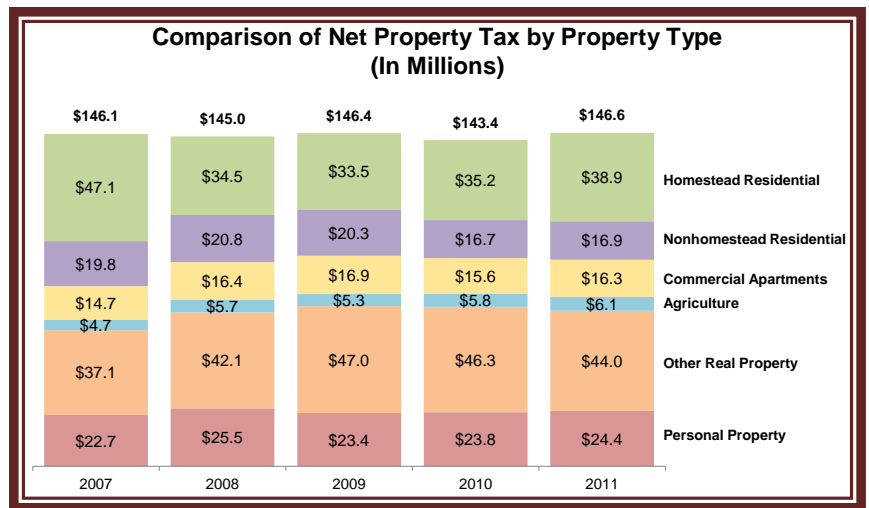
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*TAX INCREASES FOR ALL CLASSES OF
PROPERTY EXCEPT BUSINESS, WHICH SAW
LARGE ASSESSMENT DECLINES*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 2.4% in Tippecanoe County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 1.5%. Tax bills for commercial apartments rose 4.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - decreased by 2.2%. Agricultural tax bills rose 5.6%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED IN
2011 DUE TO HIGHER TAX RATES*

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Total tax cap credit losses in Tippecanoe County were \$6.0 million, or 3.8% of the levy. This was less than the state average loss rate of 9.2%, but the same as the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Tippecanoe County's tax rates were near the state median.

More than three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Tippecanoe County does not have any district tax rates above \$3 per \$100 assessed value, so no business property is eligible for tax cap credits. The largest percentage losses were in West Lafayette City, West Lafayette Library, Lafayette School Corporation, Otterbein Town and Otterbein Library. The largest dollar losses were in Lafayette City, Lafayette School Corporation, and the county unit.

Tippecanoe County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$299,992	\$4,023,126	\$0	\$8,991	\$4,332,109	2.8%
2011 Tax Cap Credits	888,667	5,077,573	0	29,503	5,995,744	3.8%
Change	\$588,675	\$1,054,448	\$0	\$20,512	\$1,663,635	1.0%

Tax cap credits increased in Tippecanoe County in 2011 by \$1.7 million, or 38%. The

additional credits represent an added loss of 1.0% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. Tax rate increases in taxing districts with rates already above \$2 per \$100 assessed value meant bigger tax cap credits for property in the 2% category. The elimination of the state homestead credit and the tax rate increases added to tax cap credits in the 1% homestead category.

The Effect of Recession

The 2009 recession had a large effect on Tippecanoe County assessments for pay-2011. Business and other residential property values and construction activity appear to have fallen in Tippecanoe County in 2009. Lower assessed values contributed to higher tax rates, which made more taxpayers eligible for more tax cap credits. Added credits represent revenue losses for local governments.

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*2009 RECESSION REDUCED ASSESSED VALUES
AND ADDED TO TAX CAP CREDIT LOSSES*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$5,199,856,600	\$5,181,720,830	-0.3%	\$2,366,708,895	\$2,345,205,394	-0.9%
Other Residential	1,541,881,400	1,486,308,400	-3.6%	1,526,685,618	1,472,403,972	-3.6%
Ag Business/Land	375,803,400	392,627,400	4.5%	373,027,310	390,026,080	4.6%
Business Real/Personal	4,119,302,990	3,804,045,681	-7.7%	3,139,536,672	2,792,785,860	-11.0%
Total	\$11,236,844,390	\$10,864,702,311	-3.3%	\$7,405,958,495	\$7,000,421,306	-5.5%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tippecanoe County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	184,329,096	194,995,158	132,242,648	133,511,829	137,964,105	5.8%	-32.2%	1.0%	3.3%
State Unit	175,510	185,007	0	0	0	5.4%	-100.0%		
Tippecanoe County	32,418,133	33,085,339	23,878,649	24,721,511	25,067,329	2.1%	-27.8%	3.5%	1.4%
Fairfield Township	308,875	324,898	273,460	499,826	309,270	5.2%	-15.8%	82.8%	-38.1%
Jackson Township	38,448	40,040	41,742	43,325	44,483	4.1%	4.3%	3.8%	2.7%
Lauramie Township	92,905	96,408	96,860	98,963	101,399	3.8%	0.5%	2.2%	2.5%
Perry Township	142,103	146,328	130,249	10,596	10,436	3.0%	-11.0%	-91.9%	-1.5%
Randolph Township	65,459	70,233	90,290	90,579	83,225	7.3%	28.6%	0.3%	-8.1%
Sheffield Township	86,554	82,894	80,769	24,645	25,095	-4.2%	-2.6%	-69.5%	1.8%
Shelby Township	50,779	52,183	50,162	50,647	51,478	2.8%	-3.9%	1.0%	1.6%
Tippecanoe Township	236,701	250,232	228,591	560,050	398,437	5.7%	-8.6%	145.0%	-28.9%
Union Township	30,686	32,688	34,135	35,951	36,868	6.5%	4.4%	5.3%	2.6%
Wabash Township	451,091	469,625	464,433	491,219	472,566	4.1%	-1.1%	5.8%	-3.8%
Washington Township	133,785	179,039	175,353	72,551	72,245	33.8%	-2.1%	-58.6%	-0.4%
Wayne Township	91,886	82,445	79,200	80,981	80,362	-10.3%	-3.9%	2.2%	-0.8%
Wea Township	374,436	393,540	360,569	378,816	369,862	5.1%	-8.4%	5.1%	-2.4%
Lafayette Civil City	26,304,230	26,071,170	25,116,610	26,192,192	27,782,034	-0.9%	-3.7%	4.3%	6.1%
West Lafayette Civil City	7,611,885	7,991,063	7,690,112	7,910,276	8,080,360	5.0%	-3.8%	2.9%	2.2%
Otterbein Civil Town	78,220	82,978	87,235	93,567	93,081	6.1%	5.1%	7.3%	-0.5%
Battle Ground Civil Town	201,969	208,788	213,280	220,191	225,734	3.4%	2.2%	3.2%	2.5%
Clarks Hill Civil Town	61,261	62,632	65,520	64,779	67,881	2.2%	4.6%	-1.1%	4.8%
Dayton Civil Town	162,031	175,912	180,571	185,221	189,924	8.6%	2.6%	2.6%	2.5%
Shadeland Civil Town	377,842	394,657	369,425	326,735	324,972	4.5%	-6.4%	-11.6%	-0.5%
Benton Community School Corp	2,194,496	2,090,412	1,203,343	1,136,565	1,019,075	-4.7%	-42.4%	-5.5%	-10.3%
Lafayette School Corp	32,610,640	35,863,597	24,110,509	20,477,827	19,854,758	10.0%	-32.8%	-15.1%	-3.0%
Tippecanoe School Corp	56,543,106	61,991,084	32,290,453	34,511,918	35,558,393	9.6%	-47.9%	6.9%	3.0%
West Lafayette Community School Corp	14,879,265	15,849,192	6,998,668	7,506,333	9,957,066	6.5%	-55.8%	7.3%	32.6%
Otterbein Public Library	28,595	14,929	18,578	19,610	18,787	-47.8%	24.4%	5.6%	-4.2%
West Lafayette Public Library	1,816,402	1,484,507	1,450,358	1,454,296	1,447,284	-18.3%	-2.3%	0.3%	-0.5%
Tippecanoe County Public Library	3,588,604	3,845,438	3,808,327	3,945,479	3,860,508	7.2%	-1.0%	3.6%	-2.2%
Greater Lafayette Public Transportation	1,857,415	1,942,985	2,020,602	2,099,054	2,153,817	4.6%	4.0%	3.9%	2.6%
Wildcat Creek Solid Waste Mgt Dist	190,136	192,715	199,099	208,126	207,376	1.4%	3.3%	4.5%	-0.4%
Lafayette Redevelopment Comm	1,125,648	1,242,200	435,496	0	0	10.4%	-64.9%	-100.0%	
Tippecanoe County Redevelopment	0	0	0	0	0				
West Lafayette Redevelopment Comm	0	0	0	0	0				
Shadeland Town Redevelopment Comm	0	0	0	0	0				

Tippecanoe County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
79001	Fairfield Township-LSC-B	1.6244	--	3.2707%	7.8329%	--	--	--	1.4440
79002	Fairfield Township-TSC	1.5890	--	3.1614%	6.1567%	--	--	--	1.4409
79003	Fairfield Township-TSC-B	1.6346	--	3.1462%	6.1785%	--	--	--	1.4822
79004	Lafayette-Fairfield Township-LSC-B	2.5792	--	4.7953%	8.3297%	--	--	--	2.2407
79005	Lafayette-Fairfield Township-TSC-B	2.5894	--	4.7107%	7.3008%	--	--	--	2.2784
79006	Jackson Township-TSC	1.5905	--	3.1639%	6.0853%	--	--	--	1.4434
79007	Lauramie Township	1.6065	--	3.1700%	6.0766%	--	--	--	1.4580
79008	Clarks Hill Town	2.3382	--	4.6851%	4.5882%	--	--	--	2.1214
79009	Perry Township-TSC	1.5713	--	2.8602%	6.2965%	--	--	--	1.4274
79010	Perry Township-TSC-B	1.6169	--	2.8535%	6.3147%	--	--	--	1.4687
79011	Randolph Township-TSC	1.6725	--	3.2573%	6.1160%	--	--	--	1.5157
79012	Sheffield Township-TSC	1.5747	--	2.8594%	6.2987%	--	--	--	1.4305
79013	Dayton Town-TSC	1.9517	--	3.6347%	7.4107%	--	--	--	1.7361
79014	Shelby Township-BSC	1.4009	--	3.6727%	5.0010%	--	--	--	1.2794
79015	Shelby Township-TSC	1.5547	--	2.9936%	6.1654%	--	--	--	1.4123
79016	Otterbein Town-BSC	2.5642	--	5.3226%	9.9894%	--	--	--	2.1716
79017	Tippecanoe Township-TSC	1.5778	--	2.8545%	6.2713%	--	--	--	1.4338
79018	Tippecanoe Township-TSC-B	1.6234	--	2.8479%	6.2901%	--	--	--	1.4751
79019	Battle Ground Town-TSC	2.1335	--	4.0517%	4.9817%	--	--	--	1.9408
79020	Shadeland Town-TSC	1.6515	--	3.2338%	6.1862%	--	--	--	1.4959
79021	Shadeland-TSC-B	1.6971	--	3.2174%	6.2064%	--	--	--	1.5372
79022	Wabash Township-TSC	1.5840	--	2.9133%	6.0908%	--	--	--	1.4414
79023	Wabash Township-TSC-B	1.6296	--	2.9051%	6.1146%	--	--	--	1.4826
79024	Wabash Township-WLSC-B	1.7711	--	2.2348%	3.9613%	--	--	--	1.6614
79025	West Lafayette City-TSC-B	2.5490	--	4.1700%	4.8562%	--	--	--	2.3189
79026	West Lafayette City-WLSC-B	2.6905	--	3.6625%	3.5199%	--	--	--	2.4973
79027	Washington Township-TSC	1.6445	--	2.7820%	6.1858%	--	--	--	1.4970
79028	Wayne Township	1.6336	--	3.0846%	6.0834%	--	--	--	1.4838
79030	Wea Township-TSC	1.6077	--	3.1123%	6.2085%	--	--	--	1.4578
79031	Wea Township-TSC-B	1.6533	--	3.0987%	6.2286%	--	--	--	1.4991
79032	Lafayette City-Wea Township-LSC	2.5890	--	4.8200%	8.3098%	--	--	--	2.2491
79033	Lafayette City-Wea Township-TSC	2.5992	--	4.7357%	7.2852%	--	--	--	2.2868
79034	West Lafayette City-TSC-B-C	2.4222	--	4.3439%	5.0597%	--	--	--	2.1944
79035	West Lafayette-WLSC-B-C	2.5637	--	3.8017%	3.6493%	--	--	--	2.3727
79036	Lafayette Sheffield TSC-B	2.5896	--	4.7186%	--	--	--	--	2.4674
79037	Lafayette Wea TSC-B Annex	2.5992	--	4.7357%	7.2852%	--	--	--	2.2868
79038	Lafayette Perry-TSC	2.5862	--	--	--	--	--	--	2.5862
79039	West Lafayette Tippecanoe TSC	2.4299	--	4.3444%	5.4149%	--	--	--	2.1928

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Tippecanoe County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	882,508	4,415,715	0	29,246	5,327,470	137,964,105	3.9%
<i>TIF Total</i>	6,159	661,858	0	257	668,274	18,759,756	3.6%
<i>County Total</i>	888,667	5,077,573	0	29,503	5,995,744	156,723,861	3.8%
Tippecanoe County	145,066	699,388	0	5,233	849,687	25,067,329	3.4%
Fairfield Township	651	6,820	0	70	7,541	309,270	2.4%
Jackson Township	0	0	0	2	2	44,483	0.0%
Lauramie Township	0	88	0	30	118	101,399	0.1%
Perry Township	0	0	0	5	5	10,436	0.0%
Randolph Township	0	0	0	7	7	83,225	0.0%
Sheffield Township	0	0	0	4	4	25,095	0.0%
Shelby Township	0	40	0	1	42	51,478	0.1%
Tippecanoe Township	58	108	0	111	277	398,437	0.1%
Union Township	0	0	0	3	3	36,868	0.0%
Wabash Township	585	1,254	0	58	1,896	472,566	0.4%
Washington Township	0	0	0	36	36	72,245	0.1%
Wayne Township	0	0	0	0	0	80,362	0.0%
Wea Township	1,072	5,755	0	117	6,944	369,862	1.9%
Lafayette Civil City	155,289	1,314,623	0	5,750	1,475,662	27,782,034	5.3%
West Lafayette Civil City	177,774	387,124	0	1,844	566,743	8,080,360	7.0%
Otterbein Civil Town	18	5,994	0	8	6,020	93,081	6.5%
Battle Ground Civil Town	1,384	1,714	0	21	3,119	225,734	1.4%
Clarks Hill Civil Town	8	3,055	0	221	3,284	67,881	4.8%
Dayton Civil Town	0	0	0	53	53	189,924	0.0%
Shadeland Civil Town	0	0	0	24	24	324,972	0.0%
Benton Community School Corp	15	5,054	0	6	5,075	1,019,075	0.5%
Lafayette School Corp	110,735	1,075,167	0	5,190	1,191,092	19,854,758	6.0%
Tippecanoe School Corp	99,640	341,600	0	6,213	447,454	35,558,393	1.3%
West Lafayette Community School Corp	132,759	311,863	0	2,579	447,201	9,957,066	4.5%
Otterbein Public Library	4	1,210	0	2	1,215	18,787	6.5%
West Lafayette Public Library	22,376	74,192	0	426	96,993	1,447,284	6.7%
Tippecanoe County Public Library	17,409	95,491	0	763	113,664	3,860,508	2.9%
Greater Lafayette Public Transportation	16,464	79,388	0	427	96,280	2,153,817	4.5%
Wildcat Creek Solid Waste Mgt Dist	1,200	5,786	0	43	7,029	207,376	3.4%
Lafayette Redevelopment Comm	0	0	0	0	0	0	
Tippecanoe County Redevelopment	0	0	0	0	0	0	
West Lafayette Redevelopment Comm	0	0	0	0	0	0	
Shadeland Town Redevelopment Comm	0	0	0	0	0	0	
TIF - 3 Fairfield Twp-TSC-B	0	0	0	0	0	1,719	0.0%
TIF - 4 Lafayette-Fairfield Twp-LSC-B	0	238,869	0	0	238,869	6,286,440	3.8%
TIF - 5 Lafayette-Fairfield Twp-TSC-B	0	3,975	0	0	3,975	2,001,302	0.2%
TIF - 9 Perry Township-TSC	0	0	0	0	0	123,735	0.0%
TIF - 12 Sheffield Township-TSC	0	0	0	0	0	68,509	0.0%
TIF - 20 Shadeland Town-TSC	0	0	0	0	0	37,460	0.0%
TIF - 21 Shadeland-TSC-B	0	0	0	0	0	397,954	0.0%
TIF - 22 Wabash Township-TSC	0	0	0	0	0	0	
TIF - 25 West Lafayette City-TSC-B	0	0	0	0	0	0	
TIF - 26 West Lafayette City-WLSC-B	0	202,929	0	0	202,929	3,564,205	5.7%
TIF - 27 Washington Township-TSC	0	0	0	0	0	0	
TIF - 30 Wea Township-TSC	0	0	0	0	0	10,556	0.0%
TIF - 31 Wea Township-TSC-B	0	0	0	0	0	386,469	0.0%
TIF - 32 Lafayette City-Wea Township-LS	2,118	92,552	0	257	94,927	911,475	10.4%
TIF - 33 Lafayette City-Wea Township-TS	0	21,760	0	0	21,760	1,322,555	1.6%
TIF - 34 West Lafayette City-TSC-B-C	0	83,818	0	0	83,818	1,538,326	5.4%
TIF - 35 West Lafayette-WLSC-B-C	3,576	3,374	0	0	6,950	1,260,988	0.6%
TIF - 36 Lafayette Sheffield TSCB	0	0	0	0	0	403,868	0.0%
TIF - 37 Laf Wea TSC-B Annex	0	14,582	0	0	14,582	331,567	4.4%
TIF - 38 Lafayette Perry-TSC	465	0	0	0	465	112,630	0.4%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.